

CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Department of Finance & Administrative Services
Treasury Division

INTEROFFICE MEMORANDUM:

DATE: March 28, 2005

TO: Patrick Montoya, CIP Official

FROM: Lou Hoffman, City Treasurer
Prepared by: Cilia Aglialoro, Asst. Treasurer - Debt

SUBJECT: Future General Obligation Debt Capacity

We estimate the City's General Obligation (G.O.) debt capacity for the next bond cycle - October 2005 election, to be approximately \$127 million. This figure is based upon the following assumptions:

- Average annual increase in the City's tax base at 3.50%;
- Application of a stable mill levy for debt service at 7.976 mills;
- Tax collection rate of 93.59% of annual debt service mill levy;
- Issuance of fixed-rate, current interest bonds on a competitive basis;
- Each bond issue has a maximum maturity of 10 years with approximately equal annual amounts of principal maturing each year;
- Maintenance of Aa3/AA/AA ratings, or higher; and
- Funding of costs of issuance out of interest earnings generated from bond proceeds.

Currently, the City has outstanding principal of \$127.8 million of general obligation general-purpose debt (subject to the 4% of assessed value, constitutional limitation) and \$46.6 million of storm sewer debt for a combined amount of \$174.4 million of general obligation bonds outstanding.